

[Translation]

Production and Supply of Janata Cloth

3205. SHRI MAHENDRA KARMA :
SHRI TILAK RAJ SINGH:
SHRI VISHVESHWAR BHAGAT :

Will the Minister of TEXTILES be pleased to state:

(a) whether the target for production and supply of Janata Cloth in Madhya Pradesh has been reduced to even below 50 percent during the current year;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the Madhya Pradesh Government has requested the Union Government to maintain the previous target; and

(d) if so, the action taken thereon by the Union Government ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):
(a) and (b) As per the decision of the Government Janata Cloth Scheme is being phased out. Targets therefor are being reduced every year on a tapering basis. For the year 1996-97, targets have been reduced on the basis of the actual production achieved during the last year.

(c) Yes, Sir.

(d) Targets for all the States have been reduced on the basis of last year's production.

[English]

Opening of New Branches of Banks

3206. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India have liberalised the branch licensing policy and has given full autonomy to rationalised banks in opening of new branches;

(b) if so, whether any conditions have been stipulated to the autonomy; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) As per the extant branch licensing policy of Reserve Bank of India (RBI) Indian Commercial Banks which fulfil the following criteria are given freedom to open branches without prior approval from RBI on case to case basis:-

(i) Capital to Risk Assets Ratio (CRAR) at 8% or more.

(ii) Minimum owned funds of Rs. 100 crores.

(iii) Net profit for three consecutive years.

(iv) Non-performing Assets below 15% of total outstanding loans and advances.

In such cases, the banks are advised to submit to RBI an action plan for one year for opening all types of branches (general as well as specialised) taking into consideration the broad national policy objectives. Once the plan is approved, the banks can open branches. However, the banks have to obtain Licenses under Section 23 of the Banking Regulation Act, 1949 from RBI's Regional Offices before opening the branches.

Regional Rural Banks

3207. SHRI NAMDEO DIWATHE : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have formulated a proposal for offloading entire stake in Regional Rural Banks;

(b) if so, the details thereof;

(c) the details of the present status of the proposal with implementation schedule; and

(d) the details of steps taken/proposed to strengthen Regional Rural Banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) Under the existing arrangement, the sponsor banks nominate the Chairman of the Regional Rural Banks (RRBs) and are required to provide such operational guidance and other assistance as is necessary. With a view to strengthening the management and financial structure of RRBs, various measures are being taken by the Government including capitalisation support for RRBs which attain designated performance bench-marks and also providing a larger role for the sponsor banks.

(d) A number of steps have been taken to strengthen RRBs which include, inter-alia, the following:-

(i) 119 RRBs have been provided with financial support to the extent of about Rs. 499 crores by Government of India for comprehensive revamping.

(ii) With a view to widening the range and scope of their services, the RRBs have been allowed, with effect from 1.1.1994, to finance non-target groups to the extent of 60% of their fresh lending. More discretionary powers have been given to them for purchase/discounting of cheques demand drafts. Further for widening their range of services, RRBs have been, inter-alia, allowed to issue guarantees on behalf of their customers install lockers, issue drafts and effect mail transfers.

(iii) RRBs have, subject to certain conditions, been allowed to relocate their loss-making branches to relatively better locations viz. commercial centres like market areas, village mandies, block and district head-quarters etc. and to redeploy concerned staff suitably.

- (iv) All RRBs have been advised to prepare bank specific development action plans to enable them to adopt a systematic approach for their turn-around.
- (v) Reserve Bank of India (RBI) has provided the RRBs access to profitable avenues for investment of their non-SLR surplus funds in listed and other schemes of Unit Trust of India (UTI), fixed deposits in profit making financial institutions like the Industrial Development Bank of India (IDBI), Industrial Credit Investment Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI), Small Industrial Development Bank of India (SIDBI), in bonds of nationalised banks and profit earning public sector institutions and in non-convertible debentures of reputed blue chip companies. Besides, the RRBs have been permitted by the RBI to deploy a part of their surplus non-SIR funds in the credit portfolio of their sponsor banks through non-risk sharing participation certificates to the issued by the latter.
- (vi) Prudential accounting norms of income recognition and asset classification have been applied to RRBs in 1995-96. Provisioning norms would be applied in a phased manner from 1996-97 onwards.
- (vii) With effect from 26.08.96, the RBI has fully deregulated the interest rates that can be charged to the ultimate borrowers by the RRBs.

Inland Container Depts/Air Cargos

3208. SHRI NARAYAN ATHAWALAY : Will the Minister of COMMERCE be pleased to state:

- (a) whether there is any proposal to set up a chain of Inland Container Depots/Air Cargos in the Country during the current year as a part of the package to establish infrastructure network to boost exports;

(b) if so, the progress made in this regard, so far, and the projects under implementation, in progress and under consideration for clearance; and

(c) the details of proposals pending and action taken/proposed to be taken for their early clearance?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c) In order to provide door-step facilities, Inland Container Depots/Container Freight Stations (ICDs/CFSSs) and Air Cargo Complexes (ACCs) are being set up at vantage location in the country. An Inter Ministerial Committee (IMC) is functioning in the Ministry of Commerce since 1992 to provide single window clearance to the proposals for setting up ICDs/CFSSs in the country. Prior to the constitution of IMC about 31 such facilities were functional. The Govt. consider proposals for setting up of ICDs/CFSSs as and when received and this is an ongoing process and both public and private sector can apply for the same. The primary object being to upgrade infrastructural facility for encouraging exports. The IMC has so far approved 69 proposals for setting up of ICDs/CFSSs in the country. A list of approved projects and their present status is given in the attached statement.

ACCs have been set up at the Gateway Airports of Delhi, Bombay, Madras, Calcutta and Thiruvananthapuram and at the inland airports of Bangalore, Ahmedabad, Hyderabad, Varanasi, Jaipur, Amritsar, Srinagar, Cochin, Visakhapatnam, Coimbatore, Bhubanewshwar and Dabolin. Besides a proposal for setting up of ACC at Indore has been approved and State Govt. has been requested to prepare an implementation plan.

A proposal for setting up of ACC at Patna is also under consideration. The proposals for setting up ICDs/CFSSs under consideration of the Govt. are also given in the Annexure.

STATEMENT

Status of ICDs/CFSSs Approved by Inter Ministerial Committee

1	2
Functioning (26)	
Amritsar (Punjab)	Surat (Gujarat)
Calcutta (West Bengal)...2 CFSSs	Jodhpur (Rajasthan)
Nhava Sheva (Maharashtra)	Tirupur (Tamil Nadu)
Tuticorin (Tamil Nadu)...3 CFSSs	Kanpur (Uttar Pradesh)
Dronagiri Node (Maharashtra)	Varanasi (Uttar Pradesh)
Madras (Tamil Nadu)...4 CFSSs	Agra (Uttar Pradesh)
Cochin (Kerala)...2 CFSSs	Salem (Tamil Nadu)
Indore (Madhya Pradesh)	Coimbatore (Tamil Nadu)
Kandla (Gujarat)	Raxaul (Bihar)
	Nagpur (Maharashtra)